

Indiana Long Term Care Insurance Program

Quarter 2-2009 Report

April 1, 2009 through June 30, 2009



Completed on August 31, 2009

QUARTERLY SUMMARY REPORT – INDIANA

	QUARTER 2-2009	TO DATE
Applications Received:	705	53,685
Applications Denied:	90	8,358
Applications Pending & Withdrawn:	N/A	733
Policies Purchased:	431	46,060
Policies Dropped (voluntarily & for unknown reasons*):	182	5,248
Policies Not Taken Up: (dropped within 30 day free look period)	12	2,388
Total Policies In Force (active):	N/A	36,737
Policyholders Who Received Service Payments:	269	769

** Does not include drops reported as deaths, rescissions or exhausted benefits.*

**Indiana Long Term Care Insurance Program:
Statistics for Quarter Ending June 30, 2009
In Comparison To Cumulative Program Statistics**

	Quarter ending 6-30-2009	Cumulative as of 6-30-2009
Total Policies Purchased	431	45,060
Total Policies Dropped *	<u>285</u>	<u>9,118</u>
	Died 83 (29.12%)	Died 1,307 (14.33%)
	Voluntarily 134 (47.02%)	Voluntarily 2,334 (25.60%)
	Unknown 111 (38.95%)	Unknown 2,914 (31.96%)
	Not Taken Up 19 (6.67%)	Not Taken Up 2,388 (26.19%)
	Converted 0 (0.0%)	Converted 77 (0.84%)
Policies Not Taken Up During 30 Day Free Look	Exhausted Benefits 1(0.35%)	Exhausted Benefits 58 (0.64%)
	Rescission 0 (0.0%)	Rescission 2 (0.02%)
	Non-Forfeiture 7 (2.46%)	Non-Forfeiture 38 (0.42%)
Policies in Force	N/A	36,737

**Does not include exhausted or rescissions.*

This information was based on quarterly and cumulative policies in force.

Nursing Home and Home Care Policies.	429 (99.54%)	33,412 (90.95%)
Nursing Home Only Policies	2 (0.46%)	3,293 (8.96%)
First Time Purchasers	423 (98.14%)	34,949 (95.13%)
Upgrades or Replacements	8 (1.86%)	1,755 (4.78%)
Individual	323 (74.94%)	34,764 (94.63%)
Group Certificates	1 (0.23%)	286 (0.78%)
Organization Sponsored	107 (24.83%)	1,654 (4.50%)
Male	189 (43.85%)	15,841 (43.12%)
Female	242 (56.15%)	20,864 (56.79%)
Married	359 (83.29%)	29,287 (79.72%)
Not Married	65 (15.08%)	7,082 (19.20%)
Unknown	4 (0.93%)	355 (0.79%)
Civil Union or Domestic Partner	3 (0.70%)	13 (0.04%)

INDIANA LONG TERM CARE INSURANCE PROGRAM

Statistical Summary

Period: April 1, 2009 – June 30, 2009

Report Prepared 8-31-2009

The Indiana Long Term Care Insurance Program (ILTCIP) is an innovative public/private partnership between the Indiana Medicaid Program and private long term care insurance companies, designed to help Indiana residents finance their potential long term care without fear of impoverishment. The Program began operation on May 17, 1993, with state approval of the first eight participating insurers. Actual marketing of Indiana Partnership policies by these companies began later that summer.

This report presents information for the quarter ending June 30, 2009, in the form of quarterly-specific and cumulative statistics since the Program's inception.

Highlights from this quarter include the following:

- **Policies purchased during this quarter were 431!**
- **Cumulatively, 53,685 applications have been submitted with over 46,060 policies purchased!**
- **Comprehensive policies continue to be the primary type of policy being purchased. For example, 99.54% of all policies purchased in Q2'09 were comprehensive while only 1% were for nursing home only.**
- **Cumulatively, the number of comprehensive policies purchased has increased from 90% of all sales in (Q2'08) to 91% of all sales in (Q2'09).**
- **75.2% of policies purchased during Q2'09 qualify for Total Asset Protection. Cumulatively, 77.7% of all policies purchased qualify for Total Asset Protection.**
- **98.1% of all policies purchased have been by first time purchasers.**
- **The average age of policy purchasers is 60.80. Age range of purchasers is 18 to 89.**
- **Cumulatively, 74% of all policyholders were age 65 or under at the time of purchase.**

Indiana Long Term Care Insurance Program
Fact Sheet For Quarter 2, 2009

PARTICIPATING COMPANIES:

Allianz – Individual	Metropolitan Life - Individual: Tax Qualified
Bankers Life and Casualty – Individual: Tax Qualified	Monumental Life – Individual: Tax Qualified
CNA –Individual/Group: Tax Qualified	Penn Treaty Network America - Individual
Genworth – Individual: Tax Qualified	Prudential Ins. Co of America – Tax Qualified
John Hancock – Individual: Tax Qualified	State Farm – Individual: Tax Qualified
Transamerica – Individual: Tax Qualified	United Teachers Associates Insurance Company
MedAmerica – Individual & Group: Tax Qualified	

Sixteen companies provided data during Quarter 2, 2009.

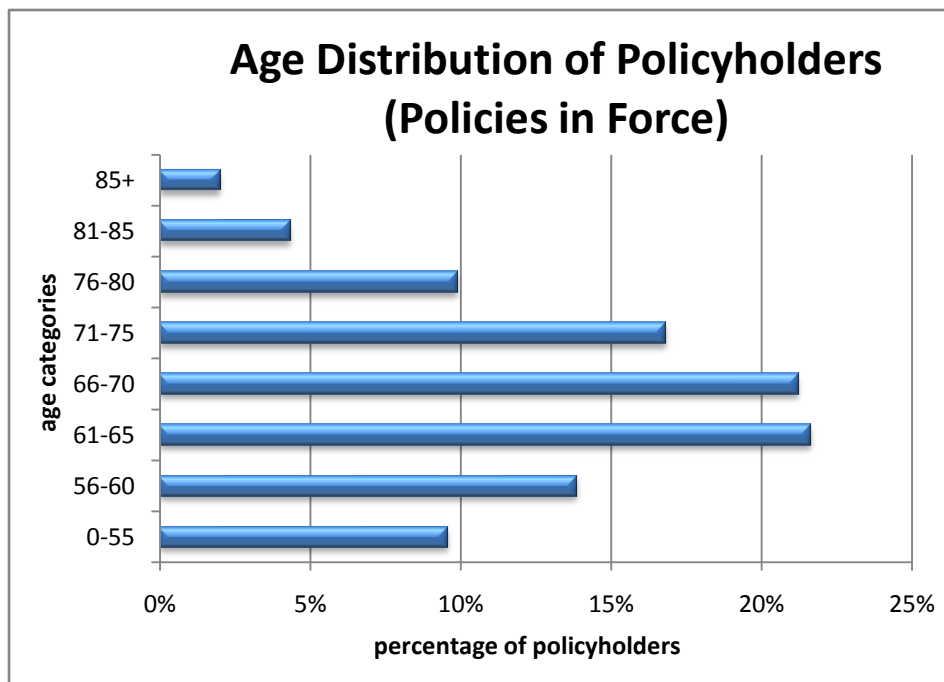
Age Distribution of Partnership Policyholders at Time of Purchase

Age Range Average Age

Policy Category	Low	High	
Individual Policyholders	18	89	61.07
Group Certificate holders	23	75	50.29
Organization Sponsored	20	84	57.05
All Insured	18	89	60.80

Age Distribution of Policyholders (Policies in Force)

Age Category	Percentage of Policyholders
86+	1.99%
81-85	4.32%
76-80	9.88%
71-75	16.81%
66-70	21.21%
61-65	21.63%
56-60	13.85%
0-55	9.55%



Nursing Home Per Diem Amounts (Policies in Force):

Average Amount: \$136.49

Mode: \$150.00 (11.09% of all purchasers)

Home Care Per Diem Amounts (Policies in Force):

Average Amount: \$125.97

Mode: \$150.00 (9.36% of all purchasers)

Elimination Periods (Policies in Force):**Nursing Homes:**

0 days	1,604 (4.37%)
9 days	9 (0.02%)
15 days	15 (0.04%)
20 days	1,120 (3.05%)
30 days	5,306 (14.44%)
45 days	679 (1.85%)
50 days	1,744 (4.75%)
60 days	1,288 (3.51%)
90 days	13,850 (37.70%)
100 days	10,270 (27.96%)
120 days	2 (0.01%)
180 days	796 (2.17%)
365 days	2 (0.01%)

Home and Community Care:

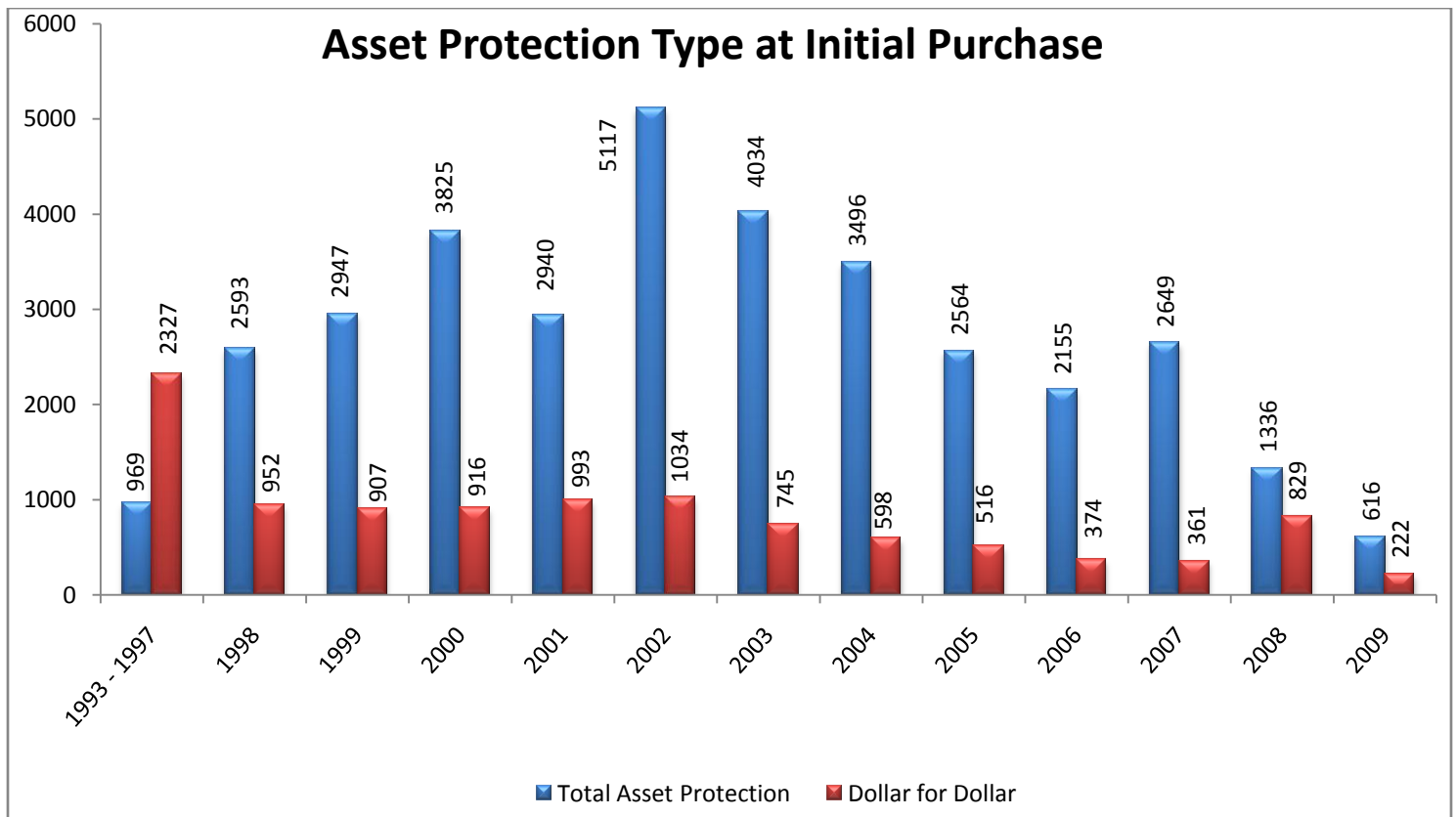
0 days	13,247 (36.06%)
10 days	3 (0.01%)
14 days	214 (0.58%)
15 days	28 (0.08%)
20 days	942 (2.56%)
30 days	4,131 (11.24%)
45 days	678 (1.85%)
50 days	25 (0.07%)
60 days	935 (2.55%)
90 days	8,752 (23.82%)
100 days	3,907 (10.64%)
180 days	625 (1.70%)
365 days	2 (0.01%)

Riders:

Non-Forfeiture	165	(0.45%)
Restoration of Benefits	460	(1.25%)
Spousal Benefit Enhancement	706	(1.92%)
Other Riders	1,012	(2.75%)

Asset Protection Type at Initial Policy Purchase By Policy Effective Date

Quarter 2-2009	Cumulative at Time of Purchase
Policies Purchased by Quarter	431
Policies Purchased by Cumulative	46,060
Total Asset Protection by Quarter	324
Total Asset Protection by Cumulative	35,775
Dollar for Dollar by Quarter	107
Dollar for Dollar by Cumulative	10,285



*Total Asset Protection became available 3-12-98 & grand fathered in those policies with coverage at initial purchase equal to or greater than state-set-dollar amount for 1998.

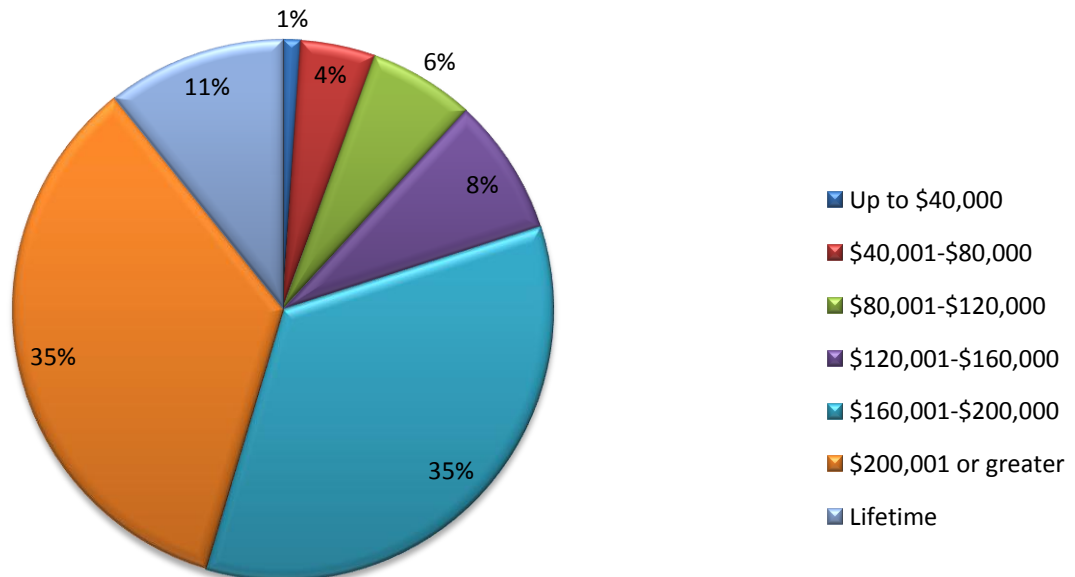
Maximum Policy Amount of Policies in Force:

Range: \$21,977 - \$6,504,300 (plus 3,894 lifetime policies)

Average amount: \$195,939 (not including lifetime policies)

Maximum Benefit Amounts Selected By All Purchasers (Policies in Force)

Maximum Benefit Amount at Time of Purchase	All Purchasers
Up to \$40,000 Approx: (1 yr)	382 (1.04%)
\$40,001 - \$80,000 (2 yrs)	1,608 (4.38%)
\$80,001 - \$120,000 (3 yrs)	2,306 (6.28%)
\$120,001 - \$160,000 (4 yrs)	3,031 (8.25%)
\$160,001 - \$200,000 (5 yrs)	12,594 (34.28%)
\$200,001 or greater (6 yrs +) (excluding lifetime)	12,922 (35.17%)
Lifetime Policies	3,894 (10.60%)



Policyholders in Benefit Information as of June 30, 2009

Benefit Status

Number of policyholders, to date, who have received benefit payments.	769
Number of policyholders in benefit as of Quarter 2, 2009.	269
Number of policyholders that received benefits and have died.	268
Number of policyholders, to date, who have exhausted their benefits and applied to Medicaid	34 (59 Exhausted)

Asset protection earned by policyholders to date.	\$36,762,413.37
Asset protection earned to date that will not be accessed (policyholders who have died)	\$10,128,074.76

Service Utilization

Type of Service* (other than case management)	QTY	% of Total Claimants by Type of Service **
Nursing Home Care	513	66.71%
Home Health Aide – hourly care	61	7.93%
Home Health Aide – daily care	76	9.88%
Attendant Care	3	0.39%
Other Institutional	0	0%
Hospital Bed Hold	111	14.43%
Assisted Living	172	22.37%
Adult Day Care	8	1.04%
Personal Care	32	4.16%
Alternate Level of Care	4	0.52%

*These categories are not mutually exclusive; therefore, percents shown will not total 100.

**This is the cumulative status of all claimants. The status and percent (%) will change as the claimant's status changes.

CLAIMANT PROFILE
Cumulative Aggregate of All Policyholders Who Used Benefits
As of June 30, 2009

Gender	Female	68.01%
	Male	33.42%
Marital Status	Not Married	41.74%
	Married	53.71%
	Unknown	4.81%
Average Age At The Time Of Policy Purchase		72
Average Age At The Time Of Claim		78.5
Age Range At Time Of Claim	Range =	44 – 97
	Mean =	79.6
	Median =	79
Policy Type Owned:	Nursing Home Only	28.87%
	Nursing Home & Home Care	74.51%

Average time elapsed between purchase date and claim date was 87.60 months (7.3 years)